

COOPER INTRODUCES SIMPLE RETURN ACT

"Here's a simple idea for reducing the hassle of paying your federal income taxes: Make the IRS do your paperwork."

WASHINGTON — Congressman Jim Cooper (TN-05) introduced the Simple Return Act (H.R.5050), a bill that would get the IRS to do your taxes for you. The Simple Return would allow the IRS to fill out a basic tax return for every American with the financial information it already receives from each taxpayer's employer and financial institution: W-2 and 1099. Every American would have the opportunity to review and sign the government return, or simply throw it away and fill out their return on their own.

The Simple Return could be used by anyone with basic tax information. It is estimated that around 40 million Americans would be able to use this service saving \$2 billion in preparation fees and 225 hours of preparation time. By converting that time into money, it is estimated that savings could reach \$44 billion over 10 years.

Cooper wrote an op-ed about the Simple Return Act in the April 15th addition of the Tennessean. It is attached below.

Let
the IRS Do Your Taxes; They have the Paperwork

The
Tennessean

By:
Rep. Jim Cooper

April
15, 2010

Here's a simple idea for reducing
the hassle of paying your federal income taxes: Make the IRS do your paperwork.

Think about it. The IRS already has
much of your personal information like copies of your W-2 and 1099s. Today they use that information to catch you if you make a mistake. Why not get the IRS to use that information to help you instead of punish you? Government should work for you, not against you.

President Ronald Reagan proposed this idea 25 years ago. He was ahead of his time. Then the IRS did not have the computing power to calculate millions of tax returns before April 15th. Today they do have that power.

What if the IRS sent you your tax return this February showing that, based on your wages, salary and investment income, you were owed a \$1,000 refund? You could either sign that tax return or fill out your own, due by April 15th. You choose.

I bet most people would want to save the mental hassle of the five hours it takes to fill out an average return, and the estimated \$2 billion in tax preparation costs every year. Not to mention your liability if you make a mistake.

Most people get a tax refund every year because the government has already withheld so much money from their paycheck. The new system could result in your getting your refund faster. Today, many people are so anxious for that refund they borrow money in anticipation of getting the IRS to write the check.

Of course, there would be legitimate worry that the IRS did not understand your situation and was overcharging you. So this isn't for everybody, but it probably could work for an estimated 40 million Americans who have such simple returns that they could trust the IRS to get them right.

California tested just such a program several years ago and it was overwhelmingly popular. Surveys indicate that 99% of Californians would use the government return again.

Who's against this? The companies that make their money filling out your returns don't like it, whether they are accounting, advisory, or software firms. They have lots of lobbying muscle. But you have even more.

I have introduced legislation in Congress that would allow the IRS, on a trial basis, to begin work on doing your taxes for you. This bill, called The Simple Return, is a way to start, not end, the debate. The bill's chances depend on the reactions of people like you.

Should

Congress try it or not? Would you trust the IRS to do your paperwork for you, or do you want to keep doing it yourself?

This legislation is not intended to delay or sidetrack the more important debate that needs to take place on reforming our overall tax code. I've received many good ideas from Middle Tennesseans on ways to do that. Our current tax code is unfair and inefficient. Americans deserve better.

The bottom line is this: Even dentists have figured out a way to make drilling painless. It's high time the government did the same thing.

<http://www.tennessean.com/article/20100415/OPINION03/4150328/1008/OPINION01/Let+the+IRS+do+your+taxes++the+y+have+the+paperwork>

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